REVISED ECONOMIC IMPACT STATEMENT
Department of Administration
Division of Personnel Services
April 25, 2005

The following amended, new, and revoked regulations of the Department of Administration, Division of Personnel Services (DPS), are proposed for adoption. A description of each regulation and its economic impact follows. Amendments to existing regulations that are proposed in order to be consistent with regulatory style are not identified. Except as specified below, none of these regulations are mandated by federal law, and therefore, they do not exceed the requirements of federal law. Likewise, no other less costly or less intrusive alternatives were identified unless otherwise stated below. (Note: Statements indicating that a regulation is not anticipated to have any economic impact or any identifiable economic impact are intended to indicate that no economic impact on the Department of Administration, other state agencies, state employees, or the general public has been identified.)

K.A.R. 1-1-1 – State human resource program, responsibilities, regulations and guidelines.

This regulation is being amended to reflect the more decentralized approach to human resource functions that is being adopted by the State of Kansas. The bulk of the proposed changes are terminology changes reflecting this new direction with regard to its human resource program and an itemized list of specific topics is being removed. There is new language clarifying that the statewide human resource program is a shared responsibility between the Division and agency human resource departments and this new language specifically includes agencies as partners in this process. Language regarding the authority of DPS to direct, monitor and review agency programs is being deleted. In addition, the current language from K.A.R. 1-9-19 regarding the establishment of health and safety standards and a comprehensive health and safety program for the State of Kansas is also being moved to this regulation. These changes are not anticipated to have any economic impact.

K.A.R. 1-2-9 – Appointing authority.

Language is being added to this regulation to specifically recognize that an appointing authority may delegate authority to an employee or group of employees to make specific human resource decisions as the appointing authority's designee. This flexibility has always been implied, and the amendment will make that understanding explicit. This change is not anticipated to have any economic impact.

K.A.R. 1-2-25 – Compensatory time.
K.A.R. 1-2-25a – Holiday compensatory time.

The regulation defining compensatory time is being amended and a new regulation defining holiday compensatory time is being proposed in order to make a better distinction between the two types of compensation. These amendments will have no substantive or economic impact.

K.A.R. 1-2-30 – Designated position.

This regulation is being revoked because of amendments to K.S.A. 75-4362 that were enacted in 2002. The list of positions that are to be included in the State's drug screening program are set

out in that statute, making the regulation unnecessary. This change is a technical cleanup and will have no substantive or economic impact.

K.A.R. 1-2-31 – Demotion.

The language in this regulation is being rearranged for clarity, and the internal reference to K.A.R. 1-10-6 is being removed since that regulation is proposed to be revoked. These changes will have no substantive or economic impact.

K.A.R. 1-2-43a – Incumbent.

This is a new regulation defining the term incumbent, which is a term that is used in a number of the personnel regulations, but is currently undefined. This regulation will have no substantive or economic impact.

K.A.R. 1-2-44 – In pay status.

A reference to holiday compensatory time is being added to this regulation so that this regulation is consistent with the proposed amendments to K.A.R. 1-2-25 and K.A.R. 1-2-25a detailed above. This change will have no economic impact.

K.A.R. 1-2-46 – Length of service.

Subsection (e) of this regulation provides that authorized leave without pay of more than 30 days does not count toward length of service, but that authorized leave without pay of less than 30 day is not a break in service. Language is being added to specify that the 30-day period must be 30 consecutive days, which is consistent with the current interpretation of this regulation. Therefore, the proposed amendment does not change existing policies, but simply provides clarification in response to recent questions posed to DPS. Since this change is not substantive, there will be no economic impact.

K.A.R. 1-2-74 – Administrative leave.

This regulation is being amended to broaden the application of this leave type. Currently, administrative leave can only be used for emergencies, situations that create dangerous or unsafe work conditions, or other circumstances that require the closing of an office or building, and agencies are required to notify the Division each time this leave type is used. The proposed changes remove these limitations so that administrative leave may be used at the discretion of the appointing authority for an employee who is the subject of an investigation under K.A.R. 1-9-19 or for other situations for which the appointing authority determines that the leave is in the best interests of the state. The notice requirement is also being removed, but administrative leave must still be recorded centrally in SHARP. A provision specifically stating that this type of leave shall not be used as a reward for employees is included to insure that administrative leave will not be abused in that way.

The proposed amendments broaden the number of circumstances in which administrative leave is authorized, which is expected to result in more frequent use of this leave than under the current limitations. Therefore, there would be a positive economic impact on employees who are authorized to use this type of leave, as they can be absent from work with pay when their absence is deemed to be in the best interest of the state. Likewise, there would be an economic impact on agencies granting administrative leave, primarily in the form of lost productivity. However, there is no way to accurately predict how much use of administrative leave will increase so it is impossible to accurately estimate an economic impact on either state employees or state agencies. However, any increase in use will be managed by the agency within existing budgets. No economic impact on the Department of Administration or the general public is anticipated.

K.A.R. 1-2-84a – Lead worker.
K.A.R. 1-2-84b – Manager.

These two regulations are being revoked. Due to proposed changes to the statewide training program as described below, the State of Kansas is proposing to use one, broad term for employee leadership positions ("supervisor"), rather than three, more specialized terms. As a result, these two definitions are no longer needed. Changes to the SHARP system to implement this change will result in a cost of $2,080. This change will have no other economic impact.

K.A.R. 1-2-97 – Unclassified service.

Currently, K.A.R. 1-2-97 defines the unclassified service as those positions specifically designated as unclassified by K.S.A. 75-2935. This regulation is being amended to acknowledge positions designated as being in the unclassified service "by law," since other statutes and appropriations bills also establish unclassified positions. This regulation will have no substantive or economic impact.

K.A.R. 1-3-2 – Reciprocal agreements with other public agencies; cooperation with other personnel agencies.

This regulation is being revoked because it is duplicative of K.S.A. 75-2956a. Since the provisions of the statute provide for the same thing as the regulation, this change will have no substantive or economic impact.

K.A.R. 1-4-2 – Position management.

The requirement that a position review must be conducted at least annually in conjunction with an employee's performance evaluation is being removed from this regulation, as is the requirement that the position review must be certified by the Director. As a result, position reviews will only be required when the responsibilities of the position change, when the position becomes vacant, or when other circumstances require a position review. Also, the term "manager" is being deleted to reflect the single, broad term (supervisor) used for leadership positions. The amendments to this regulation may have some positive economic impact on state agencies as it will free up time that was previously spent conducting annual position reviews that were sometimes unnecessary. However, it

is not possible to quantify this time savings. No economic impact on the Department of Administration, state employees, or the general public is anticipated.

K.A.R. 1-4-3 – Position description.

The requirements that position descriptions must be on forms provided by the Director and that agencies must automatically submit a copy of each position description to the Division are being removed. Agencies will be required to make position descriptions available to DPS upon request and will have the flexibility to use position description forms of their own design, provided the form contains all required elements. Language is also being changed to provide agencies with more flexibility with regard to who prepares and maintains position descriptions. Currently, the regulation places this responsibility on each supervisor in cooperation with the employee whose description is being reviewed, but the new language will allow the agency's appointing authority to determine who prepares and maintains position descriptions in his or her agency. This will provide the capability to have each employee share in the responsibility of maintaining an accurate and current position description. These changes will result in enhanced flexibility for agencies and are not expected to have any identifiable economic impact.

K.A.R. 1-4-5 – Position allocation; delegation to appointing authority.

Existing language requires the appointing authority to notify the Director when a new position is created. The requirement that the form of this notification is to be prescribed by the Director will be removed. The regulation further provides that any delegation of authority to allocate classified positions is subject to modification or withdrawal by the Secretary. A reference to K.S.A. 75-2938 is being added to clarify that such modifications or withdrawals must be consistent with the provisions of that statute. These changes will have no identifiable economic impact.

K.A.R. 1-4-7 – Position reallocation.

The only substantive change to this regulation is that the word "employee" is being replaced with the word "incumbent" in subsection (a)(1). This change clarifies that, along with the appointing authority, only the employee already in a position or scheduled to start in a position is able to request a review of that position's reallocation. The proposed change will not have any identifiable economic impact.

K.A.R. 1-4-8 – Effect of position reallocation on incumbent.

The proposed amendments to this regulation consist of non-substantive clarifications, including updates to the terminology regarding probationary periods and probationary status and a clearer outline of the steps that must be taken if an incumbent does not wish to remain in a reallocated position or does not possess a special license or certificate required for the new classification. There is no economic impact associated with these changes.

K.A.R. 1-5-8 – Beginning pay.

This regulation establishes circumstances under which newly hired employees may be paid above the beginning step of a pay grade, including situations in which the Director determines that there is a lack of candidates for a class of positions available for employment at the minimum step. Currently, authorization for higher beginning pay under those circumstances expires on the last day of the last payroll chargeable to the fiscal year in which the authorization was granted. Proposed amendments remove this time limit and add a provision providing that such authorization remains in place until cancelled. The language further states that if such authorization has remained in place for three years for reasons other than a geographic basis, the Director shall conduct a compensation study on the class. The remaining proposed changes to this regulation clean up existing language for the purpose of clarification.

Even though this new language provides for an automatic compensation study, it is not anticipated that this will result in any adverse economic impact since this requirement can be managed within the existing budget and staff allocations or monies specifically set aside or allocated for such studies.

K.A.R. 1-5-9 – Pay of temporary employee.

This regulation is being amended to remove redundant and unnecessary language regarding the step at which a temporary employee is hired and will have no identifiable economic impact.

K.A.R. 1-5-14 – Pay of employee upon transfer.

Based on requests from agencies, this regulation is being amended to allow agencies to give pay increases to employees who transfer to other positions within that agency when such a pay increase is in the best interest of the agency. The language specifically states that this type of pay increase cannot be granted to an employee who is transferring from one agency to another agency. This limitation is intended to reduce competition between agencies for employees with selected skills or experience where promotional opportunities are not involved, thereby avoiding an adverse economic impact on state agencies whose funding sources are more limited or less flexible than other state agencies.

This amendment will most likely result in additional costs for agencies that choose to provide this type of pay increase to any of their transferring employees. Unfortunately, there is no way to accurately predict the potential economic impact of this change on the transferring employees or on the agencies since the economic impact is dependent upon a number of factors, including the number of transfers in an agency, the pay grades of the positions involved and the number of additional steps granted, and how many agencies choose to adopt this practice on an occasional or routine basis. However, it is anticipated that the costs associated with pay increases granted to transferring employees will be managed within existing budget limitations. Changes to the SHARP system to implement this change will result in a cost of $160. No other economic impact on the Department of Administration or the general public is anticipated.

K.A.R. 1-5-15 – Pay of employee upon demotion.

Amendments to this regulation remove the list of specific instances in which an employee who accepts a voluntary demotion may be paid at a step of the new pay grade that does not result in a decrease in pay as well as the prohibition on such a transfer within the same organizational unit. This language is being replaced with a more general provision that allows for voluntary demotions without a decrease in pay if the action is in the best interest of the state service. The only limitation that is retained is that the employee's rate of pay may not exceed the maximum pay rate for the pay grade to which he or she is demoted. These amendments will give appointing authorities more flexibility in determining whether an employee who is demoted will be able to retain his or her current rate of pay, and may therefore have a positive economic impact on some employees whose circumstances did not mesh with the existing conditions set out in the regulation. Although the employing agencies would bear the cost of the additional pay for such an employee, these changes are not expected to have a substantial economic impact on state agencies as the appointing authority determines the pay rate for the demoted employee. No economic impact on the Department of Administration or the general public is anticipated.

K.A.R. 1-5-19c – Effect of pay grade changes on pay.
K.A.R. 1-5-20 – Individual pay decreases.

The changes to K.A.R. 1-5-19c expand the options available to an appointing authority with regard to employees who are in positions in a class that is assigned to a higher pay grade. Currently, such employees are placed on a step of the new pay grade that provides the same rate of pay as the employee's current pay rate or on the minimum step of the higher pay grade, whichever is higher. Proposed amendments would permit the appointing authority to elect to pay these employees on a step of the new pay grade that provides the same pay rate, the same step of the new pay grade as the step on which the employee was paid on the old pay grade, or any lower step of the new pay grade that provides an increase in pay. These amendments will give appointing authorities more flexibility in determining whether employees in positions that are in a class that is assigned to a higher pay grade will receive an increase in their rate of pay and may therefore have a positive economic impact on some employees in an amount that cannot be estimated. Although the employing agencies would bear the cost of the additional pay for such an employee, these changes are not expected to have a substantial economic impact on state agencies as the appointing authority determines the pay rate for these employees as they move to the new pay grade. Therefore, it is expected that agencies will be able to manage any additional costs within their existing budgets. No economic impact on the Department of Administration or the general public is anticipated.

In addition, the provision from K.A.R. 1-5-20 that addresses what happens when the Governor assigns a class to a lower pay grade is being removed from K.A.R. 1-5-20 and placed in K.A.R. 1-5-19c. Since this is merely moving current language from one regulation to another, there is no economic impact.

K.A.R. 1-5-24 – Overtime.

The first substantive amendment to this regulation is to expand the conditions for which agencies are allowed to count time off for an official state holiday as time worked for overtime purposes. Currently, agencies are only able to consider a holiday as time worked when the employees work hours outside of their normal schedule in the same workweek or work period due to a building, highway, or public safety emergency. The proposed amendment will add "or other emergency" to that list of qualifying circumstances.

Under the federal Fair Labor Standards Act (FLSA), employers are not obligated to count paid time off (such as a holiday) as time worked for purposes of determining whether an employee has earned overtime compensation. Therefore, there can be a disincentive for employees to work additional hours outside of their normal schedule in a work week that includes a holiday or other paid time off. The option of counting a holiday as hours worked under limited, emergency circumstances is intended to ensure that there is an adequate incentive for employees to work hours outside their normally scheduled hours during weeks with holidays when critical services must continue without interruption. Some agencies have expressed concerns that some situations, especially those involving computer or other technical problems, do not necessarily fall under the current language regarding emergencies and feel that agencies should have the flexibility to determine whether there are other emergency situations that warrant invoking this option.

To the extent that the proposed amendment results in additional hours of overtime, the proposed amendment may have a positive economic impact on some employees—whether in the form of compensatory time off or overtime pay. However, the economic impact would vary for each employee and, therefore, cannot be estimated. Although the employing agencies would bear the cost of the additional pay for such an employee, this change is not expected to have a substantial economic impact on state agencies as the appointing authority determines both the emergency circumstances in which the holiday is counted towards hours of work and the number of additional hours of work that employees work outside their normal schedules. Although it is not possible to estimate the economic impact on state agencies, it is expected that agencies will be able to manage any additional costs within their existing budgets. Typically, this option is only used by a very small number of agencies with critical operations that must be adequately staffed, even during work weeks with holidays. No economic impact on the Department of Administration is anticipated. The amendment may have an indirect positive impact on the general public to the extent that agencies providing critical public services are able to ensure adequate staffing to respond appropriately to emergencies, even during work weeks with holidays.

In addition, the language requiring appointing authorities to notify the Director of the nature of any emergency serving as the basis for counting a holiday as time worked is being removed. Agencies will continue to report the name and position number of employees who will have holidays counted as time worked through the SHARP system, thereby providing adequate notice to DPS.

The other proposed change to this regulation is to raise the maximum amount of compensatory time that a non-exempt employee can accrue from 120 hours to 240 hours. This change is being made because it brings the State of Kansas into line with the provisions of the FLSA, which sets 240

hours as the maximum amount of compensatory time for non-law enforcement employees. We are also proposing to add language that authorizes an appointing authority to establish a lower maximum accumulation of compensatory time for employees in his or her agency. These two changes provide maximum flexibility within the law for agencies to manage their employees' accumulation of compensatory time.

Although this amendment does not increase the amount of overtime worked, it may affect the form and timing of overtime compensation because agencies could allow employees to accumulate as much as two times more compensatory time than is currently allowed. Under the existing regulation, once an employee accumulates 120 hours of compensatory time, any additional overtime hours must be compensated with overtime pay until the employee uses enough compensatory time that the accumulated balance falls below 120 hours. As a result, agencies who allow increased levels of compensatory time to accumulate may have higher levels of unpaid overtime obligations that would ultimately be liquidated in the form of additional paid time off, possible cash payments of accumulated compensatory time (particularly when employees move to exempt positions or leave state service), or both. However, since agencies will be able to establish their own accumulation limits and agencies are now able to require employees to use compensatory time in order to keep the balances at manageable levels, agencies should be able to manage any additional costs resulting from these changes within their existing budgets. No economic impact on the Department of Administration or the general public is anticipated.

K.A.R. 1-5-30 – Benefits for employees activated to military duty.

The proposed amendments to this regulation consist of non-substantive technical clarifications and clean-up language and will have no economic impact.

K.A.R. 1-6-2 – Recruitment.

Proposed technical amendments to this regulation update language to reflect electronic recruiting systems. Current language requires agencies to submit job requisitions to DPS, which then distributes the notices of vacancy to all agency personnel offices is being replaced with language that reflects the current practice where agencies post their own notices directly to a central website maintained by DPS. Since this change reflects current practices, there will be no economic impact.

K.A.R. 1-6-8 – Selection instruments.

Existing language in this regulation provides for the appointing authority or the Director to establish confidentiality policies regarding information obtained through the use of a selection instrument. The reference to the Director is being stricken in order to reflect the decentralized approach to the employment process that is now being used by the State of Kansas. The remaining proposed changes are updates to language and have no substantive effect. These changes are not anticipated to have any economic impact.

K.A.R. 1-6-27 – Demotion.

The reference to Article 10 of the personnel regulations is being removed from this regulation and replaced with references to the applicable statutes in conjunction with the proposed revocation of the regulations in Article 10, as described later in this document. In addition, proposed amendments update the terminology regarding probationary periods and probationary status to reflect current terminology. These changes will have no economic impact.

K.A.R. 1-6-29 – Acting assignments.

K.A.R. 1-6-29 sets out the conditions for acting assignments, including a requirement that acting assignments are to be made only to positions that are vacant. Proposed amendments allow agencies to use an acting assignment in situations where the position that needs to be filled is occupied by an employee who is unavailable or unable to perform the duties of the position for more than 30 days. This change will provide agencies with additional flexibility in meeting their workforce needs during extended employee absences and will allow agencies to formally recognize the work performed by employees who are assigned to manage the duties of co-workers during the co-workers' absence.

This amendment may have a positive economic impact on employees who are placed on such an acting assignment if they receive a higher rate of pay during the acting assignment. The economic impact on the agency will vary, depending upon such factors as whether or not the incumbent in the position is absent on a paid or unpaid leave and whether or not the employee placed on the acting assignment receives an increase in pay during the acting assignment. However, the regulation provides sufficient flexibility that agencies should be able to manage any additional costs within their existing budgets. No economic impact on the Department of Administration is anticipated. The amendment may have an indirect positive impact on the general public to the extent that state agencies providing critical public services are able to ensure adequate staffing during extended absences of an employee.

This regulation is also being modified to allow the appointing authority to compensate an employee assigned to an acting assignment in a position that is on the same pay grade as the employee's own position at a higher step of the pay grade than the step on which the employee is paid in the employee's normal position if the appointing authority determines the pay increase is in the best interest of the agency. Currently, if an acting assignment is to a position that is on the same pay grade, no change in pay is permitted. This amendment would give appointing authorities discretion to determine whether additional compensation is warranted to recognize such factors as additional skills, ability, education, training, or experience required to perform the acting assignment. The proposed amendment may have a positive economic impact of an unknown amount on employees who are compensated at a higher rate. Likewise, if an agency chooses to utilize this option, it may result in additional costs to the agency, depending upon multiple factors such as the number of acting assignments and the pay grades of the positions involved and whether the affected position is vacant or its incumbent is leave with or without pay. While these variables prevent accurate estimates of the potential economic impact on agencies, the regulation provides sufficient flexibility that any additional costs should be able to be managed within existing agency budgets.

No economic impact on the Department of Administration is anticipated. The amendment may have an indirect positive impact on the general public to the extent that it provides state agencies with additional tools and flexibility in ensuring the staffing necessary to provide critical public services.

Language is also being added to clarify that acting assignments made pursuant to K.S.A. 75-4315a cannot be in excess of 12 months in duration. Other amendments include reorganization for greater clarity and technical amendments relating to the effect of acting assignments on step increases. These amendments will not have any economic impact.

K.A.R. 1-6-32 – Candidate drug screening test for designated positions.

The references to "designated" positions in this regulation are being removed and replaced with the term "safety-sensitive" position in accordance with 2002 amendments to K.S.A. 75-4362. The positions that are to be included in the state's drug screening program are set out in that statute, and are referred to in statute as "safety sensitive" positions. In addition, language regarding standards set by the Director for testing personnel and procedures and the threshold levels for substances to be tested is being deleted due to concerns from the Attorney General's Office that the language is too broad. However, these procedure and threshold levels can still be maintained as they are included in the State's drug screening services contract. Changes to the SHARP system to implement this change will result in a cost of $40. Otherwise, neither of these changes is expected to have any additional economic impact or effect on the drug screening program.

K.A.R. 1-7-3 – Probationary periods.

The only amendment being made to this regulation is to insert essential language currently found in K.A.R. 1-10-6 stating that employees on probation, except those serving a probationary period as a result of a promotion, may be dismissed at any time during the probationary period. This language is an important clarification regarding the status of employees during a probationary period and agencies expressed concern that if K.A.R. 1-10-6 is revoked without moving this provision to another regulation, there would not be any language to cite to in letters dismissing employees on probation. Since this is current policy, this amendment will have no substantive or economic impact.

K.A.R. 1-7-10 – Performance reviews.

The primary amendments to this regulation remove unnecessary central oversight and provide agencies with greater flexibility to establish performance review systems that meet their particular needs and missions. To this end, language requiring performance reviews to be completed on forms prescribed by the Director is being removed, as is language setting out procedural requirements relating to priority outcomes and feedback sessions. Agencies will still be required to complete an annual performance review and rating at least annually in the manner required by the Director, but will be able to develop their own forms and procedures in order to meet their own unique needs.

The language regarding unsatisfactory performance reviews in subsection (c) is also being amended to correspond with the provisions of K.S.A. 75-2949e (b). Currently, the regulation specifies that two consecutive unsatisfactory ratings are required as a basis for disciplinary actions

for deficiencies in work performance while the statute only requires two unsatisfactory performance reviews within 180 days.

Other proposed amendments consist of non-substantive clarifications, including updates to provisions regarding the filing and copying of signed performance reviews, changes to terminology, and reorganization of existing provisions for greater clarity. None of the proposed changes are anticipated to have any identifiable economic impact.

K.A.R. 1-7-11 – Employees entitled to appeal performance reviews.

Proposed amendments to K.A.R. 1-7-11 consist of non-substantive clarifications, including updates to terminology regarding probationary periods, extensions of probationary periods in order for the committee to complete its review, and probationary status. In addition the regulation was reorganized for clarity. None of these changes will have an economic or substantive impact.

K.A.R. 1-7-12 – Performance review appeal procedure.

Proposed amendments to K.A.R. 1-7-12 consist of non-substantive clarifications, including removing language referring to the appointing authority's designee (in conjunction with proposed amendments to K.A.R. 1-2-9), removing language referencing an employee's belief that a rating was unfair (for consistency with K.A.R. 1-7-11), and a qualification that extensions of time in performance appeal committee proceedings must be for a reasonable period of time. A provision is also being added to allow the appeal committee to limit the offering of irrelevant, as well as repetitious, evidence. In general, these changes will have no economic impact.

The change allowing the limitation of irrelevant evidence may have an indirect economic impact on agencies by giving performance appeal committees a means to manage the appeal hearing more effectively, minimizing lost productivity while preserving the opportunity for employees to offer pertinent evidence. However, this potential economic impact cannot be quantified. The amendment will not have any economic impact on the Department of Administration or the general public.

K.A.R. 1-8-2 – Orientation.
K.A.R. 1-8-3 – Training standards.
K.A.R. 1-8-4 – Agency reports and plans.
K.A.R. 1-8-5 – Supplemental management training programs.
K.A.R. 1-8-6 – Supervisory training programs.

These regulations are being amended to decentralize the responsibility for establishing and maintaining training programs for state employees from the Division to the agencies. This will allow agencies to develop orientation and training programs that are specific to their own unique needs and goals.

K.A.R. 1-8-2 currently provides that establishment and maintenance of an orientation program is the responsibility of the Director, in cooperation with agency administrators. Proposed

amendments state that each appointing authority is to be responsible for establishing and maintaining an orientation program for that agency, within broad guidelines set out in the regulation.

Existing language in K.A.R. 1-8-3 provides for guidelines established by the Director for employee training programs generally, refers to the optional payment of tuition expenses for employees as provided in K.S.A. 74-5519, and authorizes leave with or without pay for employees to attend training programs. These provisions are being removed and replaced with language that simply states that each appointing authority is to periodically assess, identify, and provide access to appropriate education and training to meet workforce needs.

The title of K.A.R. 1-8-4 is being changed to "agency training records," and the current language requiring annual training plans and reports in the form and manner prescribed by the Director is being removed and replaced with language requiring appointing authorities to maintain training records and provide them to the Director upon request. The provisions of K.A.R. 1-8-5 are proposed to be revoked and a general requirement that appointing authorities are to provide access to training and opportunities for continuing education and development for supervisory employees is being included in K.A.R. 1-8-6.

K.A.R. 1-8-6 is being retitled "Leadership training programs." This regulation currently requires each employee in a lead worker, supervisor, or manager position to take either a supervisory training program developed by the Director or a program developed by an agency, consistent with guidelines developed by the Director. The regulation also sets up time frames in which this training must be completed and requires continuing education training every three years for these types of positions. Proposed amendments eliminate all of these specific requirements and simply provide that each appointing authority is to develop and maintain a leadership program to provide appropriate supervisory training for all employees in supervisory positions and that, as noted above, the appointing authority is to provide these employees with ongoing training and continuing education and development opportunities. The distinctions between supervisors, lead workers, and managers are also eliminated.

In the past, much of the training for supervisors (including lead workers and managers) has been provided by staff from the Department of Administration, with agencies paying training fees that covered a portion of the cost of providing the service. The Department of Administration training staff also provided other training opportunities available to state employees for a fee, as well as training materials and resources that agencies could use to develop their own orientation and training programs. While these amendments will shift the responsibility and cost of training from the Department of Administration to the agencies, the proposal has been discussed extensively with and is supported by agency human resource and training personnel throughout the State. Many agencies already have training staff capable of managing this responsibility, and those agencies that do not will be able to partner with agencies that do to provide their employees with training that they need.

Even though this proposal decentralizes the costs of training, agencies are better able to manage this cost by utilizing funding sources other than the State General Fund (SGF). Because of that, this proposal may well result in a net saving to the SGF. Agencies may also see a savings since mandatory, periodic supervisory continuing education training has been eliminated. Regardless of

the specific details, agencies are willing and prepared to accept this cost, and we fully expect that agencies will be able to manage this additional responsibility within their existing budgets. Over the last two fiscal years, the Department of Administration's staff and funding dedicated to these training programs have been eliminated, so there are no further cost savings to be realized within the Department of Administration as a result of these changes. No economic impact on the general public is anticipated.

K.A.R. 1-9-1 – Hours of work.

Currently, this regulation establishes a standard workweek for full-time state employees of 40 hours per week and a standard workday of eight hours, and provides that if an agency wishes to establish any schedule involving any other type of workday or workweek, approval of the Director must be obtained before the agency can implement such a schedule. The proposed changes eliminate any reference to a standard eight hour workday, but retain a 40-hour workweek as the standard workweek for the state of Kansas, thereby giving agencies the flexibility to adjust workdays to best meet their needs within that 40-hour framework. The requirement that agencies receive DPS approval for non-standard workdays is also being removed. The existing requirement that agencies obtain approval of the Director for any deviation from the standard 40-hour workweek is retained.

These changes decentralize this type of scheduling decision to the agency level and eliminate unnecessary central oversight over this issue while maintaining the 40-hour standard workweek. This proposal has received very positive feedback from the agencies and will not have any identifiable economic impact.

In addition, there are also amendments relating to employees in exempt positions. First, a reference to the proposed new regulation on usage of leave for employees in exempt positions is added. This regulation is also being amended to reflect the recent amendments to the Federal regulations implementing the FLSA. A new provision set out in those amendments states that exempt employees can be suspended for less than a full workweek (as is currently required) for violations of workplace conduct without jeopardizing their exempt status. Language is being added to this regulation to clarify that disciplinary suspensions of exempt employees for less than a full workweek are now allowed for violation of workplace conduct rules.

We are unable to accurately predict the extent to which this new provision will be used but we do not expect that it will result in any significant increase in disciplinary actions taken against exempt employees. Since the new provision does not require the commitment or expenditure of any additional funds or resources and the remaining changes relating to exempt employees simply restate existing policy and language, we do not anticipate that these proposed amendments will have any identifiable economic impact.

K.A.R. 1-9-2 – Holidays.

The first proposed amendment to this regulation is to add a provision allowing employees in exempt positions who are required to work on a holiday to bank the holiday credit that they earn for

that holiday so it can be used at a later time. Alternatively, the proposed amendment allows appointing authorities to pay employees in this situation the value of the holiday credit.

The practice of banking holiday credit is the current practice so this amendment should not have any economic impact. If an agency chooses to pay employees rather than allow them to bank, the agency will realize an economic impact. However, since this is an option, any agency choosing to allow the option will be incurring the economic impact willingly.

The primary amendments to this regulation provide clarification regarding holiday credit for employees who are on leave without pay or who are separating from state service. Subsection (i) is amended to restate more clearly the existing policy that, if an employee is on leave without pay for any amount of time on either the last working day before a holiday or the first working day after a holiday, the employee does not receive holiday credit for the holiday, unless otherwise approved by the appointing authority. There have been a number of questions about this situation and this amendment makes the standard policy very clear, yet retains flexibility for an appointing authority. Similarly, an amendment to subsection (j) clarifies the existing provision prohibiting the awarding of holiday credit to employees whose last day at work before separating from state service is the day before a holiday by adding the term "regularly scheduled" before the word holiday. These amendments should have no identifiable economic impact.

The remaining proposed amendments to this regulation are technical in nature, including inserting the newly defined term "holiday compensatory time" in lieu of "compensatory time." These technical amendments will have no economic impact.

K.A.R. 1-9-13 – Payment of accumulated vacation leave and compensatory time credits upon separation.

The proposed changes to this regulation are technical amendments inserting the newly defined term "holiday compensatory time" and will have no substantive or economic impact.

K.A.R. 1-9-14 – Transfer of leave credits.

The proposed amendments to this regulation restate the standard policy that all accumulated compensatory time and holiday compensatory time is to be paid by the agency from which the employee is leaving, at the time the employee separates from that agency. This has been the subject of a number of agency questions, and this new language should clarify the standard practice. Since this amendment does not change current policy, there will be no economic impact.

In addition to clarifying the standard practice, language is also being proposed that would allow employees to transfer accumulated compensatory time and holiday compensatory time just like other leave balances if the agency that the employee is leaving and the agency to which the employee is moving both approve. This option will allow employees to carry this leave forward and have access to that leave in their new position.

This option would save the agency from which the employee is leaving the cost of paying out the employee's compensatory leave balances, but it would result in the agency to which the employee was moving realizing a loss of productivity since the employee would have access to more leave or a liability for the cost of the accumulated balances if the employee separates from state service before they are used. However, since this option could only be used if both agencies agreed, the receiving state agency will have the opportunity in each case to determine whether the potential indirect or direct economic impact can be managed within budget limitations.

K.A.R. 1-9-19 – Safety and health.

The existing provisions of this regulation are deleted and moved to subsection (f) of K.A.R. 1-1-1. In addition, the title of the regulation is proposed to be changed to "Relief from duty or change of duties of a permanent employee." Due to the proposed revocation of the regulations in Article 10, the existing provisions of K.A.R. 1-10-7 are proposed to be transferred to this regulation, with some reorganization and rewording for clarity. Since no substantive changes are being proposed, the amendments will have no economic impact.

K.A.R. 1-9-19a – Drug screening test for employees in safety sensitive positions, and all state employees at correctional facilities.

This regulation is being amended to reflect amendments that were made by the 2002 Legislature to K.S.A. 75-4362 and to eliminate references to K.S.A. 75-4363, which was revoked during the same session. In addition, language regarding standards set by the Director for testing personnel and procedures and the threshold levels for substances to be tested is being deleted due to concerns from the Attorney General's Office that the language is too broad. The remaining amendments to this regulation consist of non-substantive rewording of the language for greater clarity. Since none of the proposed amendments are substantive, the changes to this regulation will have no economic impact.

K.A.R. 1-9-20 – Exit interview program.

The current language of this regulation is being deleted, which will eliminate the requirement that all agencies maintain an exit interview program. This proposed change would eliminate unnecessary central oversight and give agencies the flexibility to manage gathering of information from employees terminating employment in a manner consistent with their human resources needs. Therefore, elimination of this requirement is not expected to have any adverse economic impact.

The title of this regulation is being changed to "Exempt position leave usage," and the regulation is being amended by inserting the substance of a current personnel Bulletin that sets out the policies and practices of the State of Kansas with regard to leave usage by employees in exempt positions. This new provision that allows exempt employees to be suspended for less than a full workweek for violations of workplace conduct (as discussed above in the entry for K.A.R. 1-9-1) will also be added to the current exception for infractions of safety rules of major significance that is set out in the Bulletin.

Placing the Bulletin's provisions in regulation will make them more accessible and enforceable and since those amendments do not alter existing policy and practice with respect to employees in exempt positions, they are not anticipated to have any economic impact. As discussed in the entry for K.A.R. 1-9-1, we are unable to predict the extent to which the new provision regarding suspensions of exempt employees for less than a full workweek will be used but we do not expect that it will result in any significant increase in disciplinary actions taken against exempt employees.

K.A.R. 1-9-23 – Shared leave.

Based on recommendations from a team of agency personnel as well as from the Governor and her Cabinet, there are numerous proposed amendments to this regulation. The intent of these amendments is to provide for a more equitable, consistent application of shared leave throughout the State of Kansas workforce.

The most significant of the proposed amendments to this regulation establishes a Shared Leave Committee that will make determinations for all agencies regarding one of the main eligibility criteria for shared leave – whether or not the employee or a family member of the employee is experiencing a serious, extreme, or life-threatening illness, injury, impairment, or physical or mental condition that keeps the employee from performing regular work duties and that has caused or is likely to cause the employee to take leave without pay or terminate employment. This proposed amendment was suggested by the Governor and the Cabinet and will provide for a statewide standard for determining whether an illness, injury or condition is serious, extreme, or life-threatening. Appointing authorities may decide to grant shared leave even if the Shared Leave Committee denies it, but may only do so upon a finding that the granting of the shared leave is in the best interests of the State after consulting with the Director of Personnel Services about such a decision. Language is also included to give appointing authorities who are elected officials the option of using the Committee to make this decision or retaining the responsibility for making this decision, as they do now.

Another significant change proposed to this regulation places further limits on the maximum duration for shared leave. Currently, the maximum duration of shared leave for eligible employees is six months from the date the employee began using the shared leave with the option of one six-month extension if the employee does not meet the conditions for long-term disability payments. When the shared leave is granted due to the illness or injury of a family member of an eligible employee, the maximum duration is 12 months. Under the proposed amendments, the maximum number of hours of shared leave that may be used by an employee is the total hours the employee would regularly be scheduled to work during a six-month period. In addition, language is being added to clarify the manner in which shared leave is to be tracked and states that eligibility for shared leave expires as soon as an employee becomes eligible for KPERS disability benefits.

Another proposed change to the regulation will require employees to provide a statement from a licensed health care provider at the time the shared leave is requested. Currently, this is something that an appointing authority may require, but since the Shared Leave Committee will be making the bulk of the decisions regarding the medical issues, it was decided that this should be mandatory in order to give the Committee as much information as possible to make the decision. New language is

also being added to clarify that the appointing authority may require employees receiving shared leave to provide additional medical information to substantiate that the medical condition continues to be serious, extreme, or life-threatening at any time while the employee is receiving shared leave.

Language is also being added to clarify that employees retiring from state service and receiving a payout for accumulated sick leave under K.S.A. 75-5517 can donate only that amount of sick leave credit that is in excess of the amounts set out in the statute for which the employee is eligible to receive a payout. This is an existing policy established by a personnel Bulletin, but was determined to be appropriate for inclusion in the regulation.

A final change stipulates that unclassified employees with benefits are eligible to receive or donate shared leave. Because Executive Order 98-07 already applies K.A.R. 1-9-23 to unclassified employees under the jurisdiction of the Governor, this amendment reflects existing policy. The remainder of the changes proposed to this regulation involve non-substantive reorganization and rewording for greater clarity.

We are unable to accurately predict the economic impact of these changes. The limitation of shared leave to six months without the possibility of extending for an additional six months will undoubtedly result in a cost savings to the State of Kansas, but we are unable to accurately predict the extent of any such savings since each instance of shared leave is unique. In a small number of cases, this limitation on extended use of shared leave may have an adverse economic impact on the affected state employees and their families if the termination of shared leave results in leave without pay or termination of employment and they are not eligible for KPERS disability or other types of income replacement.

We are also unable to predict the exact economic impact of moving the authority to make determinations regarding eligibility for shared leave to the Shared Leave Committee. Since shared leave requests have been approved by each appointing authority for over eight years, there are no central records documenting the nature and extent of the illnesses, injuries, or conditions for which shared leave has been approved. There is a general belief that some agencies have been very liberal in approving shared leave in recent years and that the conditions for which shared leave has been approved vary widely from agency to agency. If this perception is accurate, use of the Shared Leave Committee may result in a savings for the State as conditions that may have been approved by agencies in the past that do not really meet the threshold for eligibility for shared leave will no longer be granted. Whether this is the case or not, the existence of the Shared Leave Committee will result in a statewide standard for eligibility for shared leave and will also allow for the keeping of records on shared leave so that the impact of this and future changes to the program can be more effectively estimated and tracked.

K.A.R. 1-9-27 – Family and Medical Leave Act of 1993 (FMLA).

K.A.R. 1-9-27 consists primarily of a restatement of the basic provisions of the FMLA, although in a few instances it establishes a uniform, statewide standard for areas in which the FMLA gives employers some discretion. For example, the FMLA ensures that eligible employees are entitled to 12 workweeks of paid or unpaid leave during any 12-month period, but employers can

choose to begin counting an employee's time off toward the 12-workweek standard on the first day of an employee's qualifying absence or at some later point, such as when the employee has exhausted accumulated paid leave. The existing provisions of K.A.R. 1-9-27 set a standard policy for all state agencies with respect to this area of discretion, stating that each eligible employee is entitled to 12 workweeks of paid or unpaid leave during any 12-month period, beginning with the first day leave was taken.

A team of agency personnel professionals was asked to review this regulation. Based on its review, the team concluded that, since FMLA is a program established by Federal law, much of the regulation is redundant. The team also felt that appointing authorities should be able to set agency-level standards for those areas in which the FMLA gives employers discretion. Therefore, the team recommended that this regulation should be revoked and that the Division should issue a personnel Bulletin setting out the minimum FMLA policies for the State of Kansas, while giving appointing authorities the discretion to establish more generous policies for their agencies. The team suggested that this Bulletin also contain language from the Federal regulations that better explains certain aspects of the FMLA's procedural requirements. Based on these recommendations, K.A.R. 1-9-27 is proposed for revocation, and upon the effective date of the revocation of this regulation, the Division will issue a Bulletin setting forth the items suggested by the team.

Since the proposed Bulletin will allow agencies the option of developing policies that are more permissive than the minimum requirements of the Federal act, the revocation of K.A.R. 1-9-27 may have an economic impact on both state employees and state agencies. Specifically, if they choose to do so, agencies could develop policies delaying the beginning of the 12 weeks of FMLA leave until the employee has used some or all of the employee's accumulated vacation and sick leave (or any other applicable type of paid leave). The effect of this policy would be to extend the period of time that the employee is able to remain on leave with the right to return to employment, which would have an economic impact on the agency in the form of lost productivity.

In addition, delaying the application of FMLA leave until the employee has used available paid leave would affect the employee's health insurance coverage. Generally, state employees who are on leave without pay lose state agency health insurance premium contributions and must move to direct bill status, in which they pay the full premium. However, the FMLA requires employers to maintain the employee's health insurance coverage under the same conditions and with the same employer contributions as provided when no leave is taken. By minimizing the amount of time that employees are on unpaid FMLA leave, the existing, statewide policy of beginning FMLA leave on the first day the employee is absent reduces the amount of time that agencies are required to continue making health insurance premium contributions. Conversely, if agencies establish a policy in which FMLA leave does not begin until eligible employees exhaust available paid leave, employees would receive maximum benefit of the FMLA health insurance continuation requirements, with a corresponding increase to state agencies' health insurance premium contributions.

Since revocation of the regulation would give agencies discretion with respect to the point at which FMLA begins, and because the cost is dependent on the number of employees affected and the type of health plan in which the employees are enrolled, among other factors, there is no way to accurately estimate the potential economic impact of this change. However, it is expected that

agencies will be able to manage any additional costs within their existing budgets. No economic impact on the Department of Administration or the general public is anticipated.

K.A.R. 1-10-6 – Dismissal, suspension, or demotion.
K.A.R. 1-10-7 – Relief from duty, or change of duties, of permanent employee, with pay, under certain circumstances.
K.A.R. 1-10-10 – Corrective action for violation of the civil service act.
K.A.R. 1-10-11 – Corrective action for violations regarding state employee benefits.

These regulations are proposed to be revoked. The disciplinary process for the State of Kansas is primarily governed by the provisions of the Civil Service Act, so having an Article on discipline in the personnel regulations is not necessary and is in large part redundant. The only provisions dealing with the disciplinary process that are being retained are the provision from K.A.R. 1-10-6 clarifying that probationary employees can be dismissed at any time during their probationary period, which is being moved to K.A.R. 1-7-3, and those from K.A.R. 1-10-7, which are being moved to K.A.R. 1-9-19. The remainder of K.A.R. 1-10-6 is duplicative of the provisions set forth in statute and other regulations, so the regulation unnecessary and therefore proposed to be revoked.

While the corrective action regulations, K.A.R. 1-10-10 and K.A.R. 1-10-11, do not deal with the disciplinary process, they have proved to be unnecessary in practice as they have not been used since they were first adopted in 1999. Moreover, they are inconsistent with the overall trend of decentralizing authority to agencies. The proposed revocation of Article 10 will have no identifiable economic impact.

K.A.R. 1-11-1 – Resignation.

The existing provisions of this regulation direct appointing authorities to make a reasonable effort to obtain a satisfactory explanation from the employee of any unauthorized absence of work for a period of five consecutive days. In addition, appointing authorities are required to submit a summary of the steps that were taken in an effort to obtain such an explanation from the absent employee. This central reporting requirement will be deleted. Agencies are well aware that they are required to make a reasonable effort to contact the employee and obtain an explanation, and are also aware of the consequences in this situation if they do not, so the reporting requirement was felt to entail unnecessary central oversight. Elimination of the reporting requirement will have no identifiable economic impact.

K.A.R. 1-11-3 – Death.

This regulation is proposed to be revoked as it consists solely of a basic reporting procedure that does not need to have the effect of law. Agencies are aware of the reporting procedures to be followed upon the death of an employee. Entries into the SHARP system that must be made are outlined in SHARP guidelines. This proposed change will have no identifiable economic impact.

K.A.R. 1-12-1 – Grievance procedure.

The provision of this regulation that allows the Director to establish guidelines for grievance procedures is proposed to be deleted. The first sentence of this regulation requires each agency to establish a written grievance procedure for its employees, and there is no reason for central oversight or coordination of this process. This proposed change will have no identifiable economic impact.

K.A.R. 1-12-2 – Agency appeals.

This regulation establishes a procedure by which an appointing authority can appeal any final decision of the Director to the Secretary of Administration and any final decision of the Secretary to the Governor. The second subsection of this regulation that allows appeals of the final decision of the Secretary to the Governor is proposed to be deleted. Since the regulation was adopted in May of 1979, the provisions of this subsection have never been used. As a result, it was determined that this subsection is unnecessary. If there is ever an issue where an agency wishes to complain about the actions or decision of the Secretary of Administration, there is no need to have a formal appeal process in order for the Governor's office to be made aware of the issue and take appropriate action to resolve the matter. Elimination of this unnecessary administrative process will not result in any identifiable economic impact.

K.A.R. 1-13-1a – Content of information in employees' official personnel records.
K.A.R. 1-13-1b – Disclosure of employee information.

K.A.R. 1-13-1a currently addresses both the content of employee personnel records and disclosure of information in those regulations. The provisions of this regulation are being separated into two different regulations and the language is being updated throughout to reflect the current practices concerning employee records. K.A.R. 1-13-1a will be amended by changing its title to "Content of employees' official personnel records" and will address what items are to be included in an employee's official personnel record. Except as described below, the language will be nearly identical to that found in subsections (a) through (c) of the existing regulation.

The first amendment is to replace the word "documents" in subsection (a)(1) with the word "records" in order to clarify that the information does not have to be a document, but can be a print-out or screen print from a computer, a disc containing personnel information, or some other electronic record containing an employee's personnel information. The second proposed change is to delete the reference to the Director in subsection (a)(5) and replace that language with a reference to the appointing authority since personnel records are maintained by agencies rather than by DPS. Third, a provision stating that the official personnel records are not to contain information prohibited by federal law is deleted. To the extent that there are federal laws that prohibit employers from maintaining certain information, this provision simply serves as a reminder to agencies of requirements with which they must comply independent of this regulation. This language does not provide meaningful guidance to agencies because it does not specifically name applicable federal laws and is therefore not needed. The final change is to add a provision expressly stating that records may be in formats other than paper or document form to expand on the clarification outlined above. None of these changes will have any identifiable economic impact.

The remainder of the language in the current regulation is proposed to be moved to a new regulation, K.A.R. 1-13-1b, titled "Disclosure of employee information." The language will be identical to the language found in current subsections (d) through (j) except for a change to the language referencing child support enforcement specialists from SRS. The language referring to this specific job class is being removed and replaced with more generic language referencing employees of SRS responsible for the agency's child support enforcement activities. This change is completely technical and merely reflects the possibility that employees in other job classes may have these responsibilities. Neither the movement of the current language to a new regulation or the proposed change of terminology will have any economic impact.

K.A.R. 1-14-8 – Computation of layoff scores.

Proposed amendments to this regulation clarify the process to be used when an employee does not have five ratings with which to calculate a layoff score and when an employee has no performance ratings on file to use for calculation of the layoff score. The remainder of the proposed amendments to this regulation are updates to language for clarity. These proposed amendments do not alter any other provisions of the current layoff policies or procedures for the State of Kansas and will not have an economic impact.

K.A.R. 1-14-11 – Furlough leave without pay.

There are a number of amendments proposed to this regulation in order to create a simpler and more flexible furlough policy for the State of Kansas. The first of these amendments changes the amount of time in which an appointing authority must develop a furlough plan in advance of the implementation date of the furlough from 60 days to 30 days. This change is being proposed to provide more flexibility to agencies and recognizes that some situations in which an agency needs to institute a furlough may not allow for the agency to wait 60 days before implementation.

Additional proposed amendments simplify the approval process surrounding the implementation of a furlough. Currently, an appointing authority must first submit a furlough plan that must be approved by both the Secretary of Administration and the Director of Personnel Services. Subsequently, the appointing authority must submit another written request in order to activate the furlough. Language requiring approval of the Secretary and the Director is being removed as is the requirement that appointing authorities submit a subsequent request.

These changes will mean that an appointing authority will only be required to develop a furlough plan, containing the same information as is currently required to be contained in both the furlough plan and the activation request, and the plan will be effective as indicated in the plan without the need for a subsequent activation request. There is a requirement that the Director of Personnel Services be notified of the furlough plan at least 30 days prior to implementation, but Department of Administration or DPS approval is not required.

In conjunction with these amendments, another amendment to this regulation requires that employees that will be affected by the furlough must be informed of the furlough no less than 10 days before the furlough begins. Currently, employees are only required to receive five days notice

of the furlough. In addition, a provision stating that furlough informational plans must begin and end in the same fiscal year (unless otherwise approved by the Director) is to be deleted.

Since these amendments impact the procedures surrounding furloughs and not the reasons for which a furlough may be taken, we do not anticipate that they will result in any increase in the number or the extent of furloughs. However, should a furlough be necessary, these changes will insure that the process of developing a furlough plan is more streamlined. Moreover, the changes in deadlines will allow agencies to implement furloughs more quickly in order to meet budget crises, and affected employees will have twice the amount of notice as previously required. To the extent that agencies are able to react more quickly to budgetary shortfalls, they may have more options in structuring the furlough plan with an eye to minimizing the adverse economic impact on the affected employees as well as any adverse impact on the service levels provided to the customers of the agency. For example, with a shorter timeline for implementing a furlough, an agency may be able to spread the reduction in hours over a greater number of payroll periods, thereby maximizing employee productivity and service to customers during the targeted payroll periods, with a corresponding reduction for employees in lost wages each affected payroll period. Likewise, with additional notice, employees may have a better opportunity to prepare for their rearranged schedule and reduced income. No economic impact on the Department of Administration or the general public is anticipated.

The public hearing was held on March 1, 2005 at 9:00 a.m. in Room 106 of the Landon State Office Building. There were 20 people in attendance, including four attendees from the Department of Administration who were staffing the hearing. (A copy of the attendance sheet is attached.) The hearing closed at 10:30 a.m.

Due to the impact of many of the proposed changes on the SHARP system, after the public hearing, all of the proposed regulations were amended with language setting an effective date of June 5, 2005. This date coincides with the beginning of a biweekly payroll period and will provide for a better and less complicated implementation of the policy changes with respect to the SHARP system.

No other new amendments or changes to previously discussed amendments are proposed.